

Exhibit 1

to

Memorandum of Law in Support of Defendant's Motion
to Dismiss Complaint Filed by TreeHouse Foods, Inc.

Morgan Stanley

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 proprietary research

March 7, 2011

Industry View
 In-Line

Restaurants

Single-Serve Coffee: Consumers Speak Out

Based on our AlphaWise survey of 1,500+ regular coffee drinkers, we now believe that single-serve coffee represents one in every five cups of coffee consumed in the US. This rapidly growing, \$3B global category is largely incremental to overall coffee consumption, with over one-third saying it adds incremental cups consumed per day; the traditional grocery channel is most vulnerable to share erosion as 60% is consumed at home. Coffee drinking household penetration of single-serve machines has reached nearly 30%, making the category ripe for accelerated adoption.

Survey increases our conviction that SBUX's entry into single-serve will be both successful and accretive to sales. Over 40% of Starbucks customers already have a single-serve machine at home (most are Keurigs) and 32% of those Starbucks single-serve customers say they would make Starbucks their main single-serve brand, if available. Starbucks customers show a 2.5x greater propensity to buy a single-serve machine than non-SBUX consumers; however, branding a coffee maker with the Starbucks imprint alone does not provide a significant lift on intentions to buy. Interest is lower for a Starbucks "closed" system.

Category leader Keurig gets rave reviews from consumers, with some 97% reporting being highly or somewhat satisfied with their single-serve brewer and coffee. Areas of weakness revolve around price point. **VIA, Starbucks' first entry into single-serve through premium instant**, has a strong following, but is largely drawing from its core heavy users, and many of its biggest users were already instant coffee drinkers. Given this, VIA may find its biggest opportunity overseas where the majority of instant coffee is consumed.

Upgrading Starbucks shares to Overweight (see related note today); while we see accelerating earnings growth coming from a variety of sources beginning in FY12, single-serve could add \$0.06-0.25 to EPS.

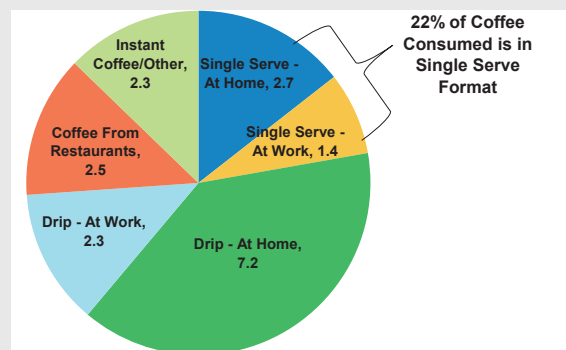
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At 22% of cups consumed/week, single-serve coffee is a large and fast growing piece of the pie



Source: AlphaWiseSM, Morgan Stanley Research. Based on respondents that consume at least one cup of coffee per week.

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Single-Serve Coffee: The Consumer Speaks

Single-serve coffee is a dynamic, rapidly growing \$3B+ global category that has taken on multiple formats in various countries. While some of these formats within certain countries have market leaders, there is no clear global winner yet. In the US, the focus of this survey, the market leader, Green Mountain (GMCR, not covered), and its Keurig platform, have roughly 65% share. More importantly, we believe single-serve coffee as a category is ripe for rapid expansion: **29%** of all homes with a coffee maker have a single-serve machine. Using the adoption rates for other technologies as a guide, this would suggest that adoption and use of single-serve coffee is poised for a period of rapid adoption.

We recently conducted a survey of 1,500+ regular coffee drinkers to determine their attitudes and usage of single-serve coffee, and specifically to determine what roll Starbucks, which currently is not involved in single-serve coffee in a meaningful way, could play in this growing category.

Key points from our survey:

- **We estimate single-serve coffee now represents 1 out of every 5 cups of coffee consumed in America.** Our AlphaWise survey suggests this new phenomenon is much bigger and adoption is much faster than most investors appreciate and makes it too big and too important for players like SBUX or THI to ignore.
- **Single-serve is generally additive to coffee consumption.** Over *one-third* of all single-serve coffee drinkers say it has expanded their overall consumption, while another 13% has said that single-serve has curtailed consumption at home and only 12% say it influences their purchases at coffee shops. Over 60% of single-serve is consumed at home, making the grocery channel the most vulnerable to share loss.
- **Household penetration rates of single-serve brewers is already at 29%,** of coffee-drinking homes, with Keurig holding 67% share in that segment. If valid, this adoption rate shows single-serve coffee is already hitting that 20%+ of total shipment 'sweet spot' of accelerated adoption. Analogous technology adoption patterns suggest that crossing the 20% threshold leads to a phase of rapid acceleration.
- **There's sizable pent up demand for Starbucks to enter single-serve coffee.** Thirty-two percent of Starbucks current customers who brew single-serve report that they would be 'very likely' to use SBUX coffee in their single-serve machine as their main brand, if available, and **26%** of current Keurig users would similarly be 'very likely' to make Starbucks their main brand. Contrary to Starbucks' public eschewal of 'closed systems' like Keurig, this evidence suggests Starbucks could reap faster financial rewards by entering the Keurig system and gaining immediate access to its 6-7 million installed single-serve machine base.
- **However, Starbucks' public commentary suggests it is headed in a different direction and more likely to support an "open" single-serve platform. Our evidence suggests there is some reason to believe they could be successful in this endeavor.** While Starbucks consumers are 2.5x more likely to buy a single-serve machine than non-Starbucks customers—leaving a window of opportunity open for the company should it decide to compete with Green Mountain—customers do not necessarily show a significantly greater preference to buy a single-serve brewer branded as "Starbucks" vs. another brand and show even less willingness to buy a "closed" system that would only work with Starbucks pods. Partnering with a third party open platform with existing distribution may be the best strategy.
- **Current single-serve market leader Keurig gets overwhelmingly strong marks from current consumers.** The 97% satisfaction rating that our sample of consumers gave Keurig, combined with the relative youth of their single-serve systems (60% report having their machines a year or less) means taking share from the share leader will be challenging.
- **Starbucks VIA: Well liked but with a narrow appeal.** Starbucks' entry into the single-serve premium instant category has garnered significant awareness, trial and conversion but the regular drinkers of VIA tend to be existing heavy SBUX users and existing instant coffee drinkers—in fact two thirds were instant drinkers before trying VIA. Price appears to be the key barrier to increased frequency among those who did not convert. The US market for instant coffee is limited but there appears to be a sizable market opportunity outside the US for VIA based on this evidence.

About this survey: We surveyed 1,554 regular coffee drinkers-- defined as drinking at least one cup of coffee a week, either at home, work or at a café. Our sample also included 589 Starbucks customers, 285 current Keurig users and 399 current VIA users in order to understand their attitudes and usage patterns for those products. The survey was fielded during the weeks of January 26 to February 10, 2011.

alphawise Evidence

Core Questions for Evidence Research

- *What's the potential for SBUX in single-serve coffee?*
- *How has Starbucks VIA instant coffee been received?*

The Evidence

Starbucks coffee pods, if compatible with consumers' current machines, could be a quick hit

- *22% of those making single-serve coffee at home and 26% of Keurig owners would be "very likely" to make Starbucks their main brand of coffee pods. More consumers would buy it to add variety.*
- *Importantly, single-serve coffee does not meaningfully cannibalize coffee sales at retail stores. Just 12% of current users "drank a lot less" or "stopped drinking" coffee purchased from shops, while 35% increased overall coffee consumption.*

Consumers aren't as enthusiastic about a Starbucks branded single-serve coffee machine

- *Among those already making single-serve coffee at home, purchase intent of a Starbucks branded machine as measured by % "very likely to buy" is 16% (for open platform) and 14% (closed platform).*
- *While this level of purchase intent suggests there is perhaps an opening for Starbucks in coffee machine, its brand didn't generate a significant lift in interest relative to interest in an unbranded machine, except among regular Starbucks customers.*
- *Consumers are generally happy with their current single-serve coffee – 97% of Keurig owners are "very/somewhat satisfied" – raising the bar for potential new entrants.*

Starbucks VIA is well liked but doesn't have broad appeal in the US

- *More than a year after its debut, VIA achieved very high trial rate, ranging from 63% among frequent Starbucks store visitors to 19% among occasional visitors. Only 8% non-customers have tried VIA.*
- *About two-thirds of 'triers' are satisfied with VIA overall. It earned high marks for convenience, quality, freshness and taste, but is seen as "too expensive", a key barrier to conversion to regular use and to trial.*
- *VIA regular users represent a unique but small niche of the market – young, instant coffee drinkers who frequent Starbucks stores and demand high quality.*

What Gives Us Confidence

- *We conducted an online survey with 1554 regular coffee drinkers (incl. 285 Keurig owners and 399 VIA triers) from 1/26 to 2/10. The sample is weighted to represent US adults by age, income and geographic regions. Conclusions based on total sample have a max. margin of error of +/- 2% at 90% confidence level.*

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Key Insights from Our Single-Serve Coffee Survey

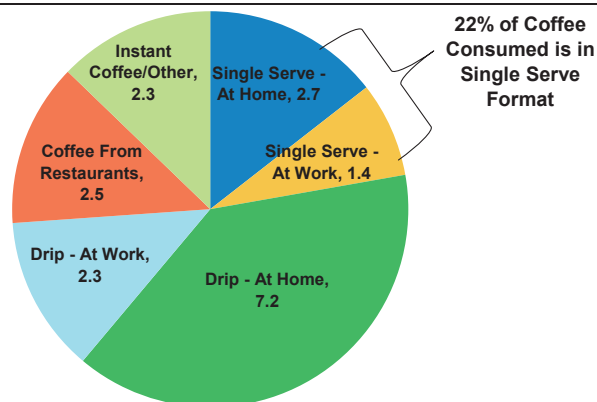
Key finding #1:

Single-serve coffee now accounts for one in five cups of coffee consumed in the US

Fully one-third of ALL coffee drinkers already report drinking single-serve coffee regularly—meaning at least once a week—including 13% who say they make a daily habit of it. We estimate that this translates into ~22% of all cups of coffee consumed now are single-serve. While we do not have historical numbers to compare this against, we think single-serve share has likely grown from the mid single digits just 2-3 years ago. These numbers on single-serve consumption are far greater than what we think many investors had expected, especially in light of the fact that the category leader in specialty coffee, Starbucks, has not yet entered the brewed single-serve category.

Exhibit 1

While drip coffee remains dominant, single-serve is now 22% of total coffee cups consumed/week

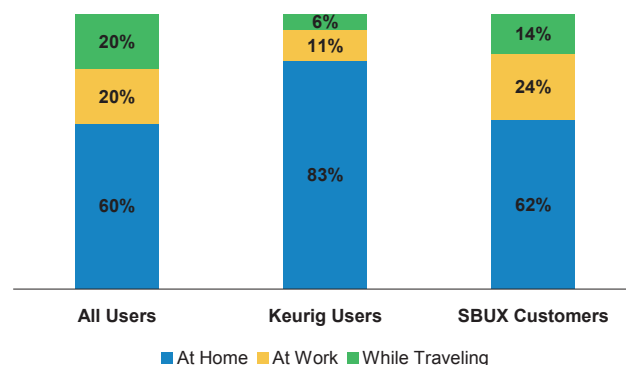


Source: AlphaWiseSM, Morgan Stanley Research. Based on respondents that consume at least one cup of coffee per week.

While most consumers may have first become aware of single-serve coffee in the workplace, our survey clearly indicates that the primary place where single-serve is being consumed is home – 60% report drinking single-serve there most often—while 20% report drinking single-serve primarily at work or while traveling, respectively.

Exhibit 2

Most single-serve users consume their favorite cup at home



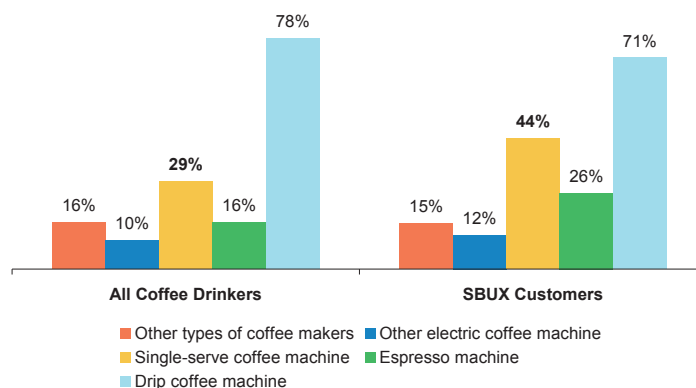
Source AlphaWiseSM, Morgan Stanley Research. Based on respondents that consume single-serve coffee.

Household penetration rates of single-serve brewers is greater than many assume.

While most of the syndicated research suggest that household penetration rates of single-serve coffee machines is in the single digits, our survey suggests that **29%** of coffee drinking households have a single-serve machine, including 27% that have a Keurig or K-cup system machine. Interestingly, **44%** of SBUX's customers report having a single-serve machine at home (that is nearly twice as much penetration as Starbucks has projected). Of those Starbucks' customers that have a single-serve machine, two-thirds have a Keurig or Keurig system machine.

Exhibit 3

While most homes still have drip coffee makers, single-serve penetration has reached nearly 1/3 of households (even greater for SBUX customers)



Source AlphaWiseSM, Morgan Stanley Research. Note, totals may exceed 100%.

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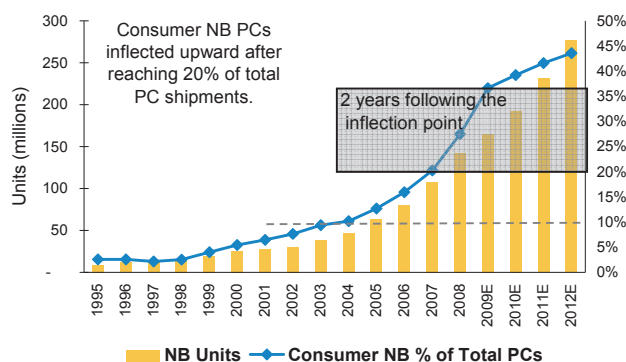
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If valid, this adoption rate shows single-serve coffee is already hitting that 20%+ of total shipment 'sweet spot' of accelerated adoption. Analogous technology adoption patterns of everything from CDs to notebook computers to smart phones that suggest that crossing the 20% threshold leads to a phase of rapid acceleration. This increases the urgency for Starbucks to enter this category before adoption and usage patterns become entrenched and this data would suggest we are at this inflection point now.

Exhibit 4

Single-serve could be hitting the 'sweet spot' for adoption, similar to notebook PCs

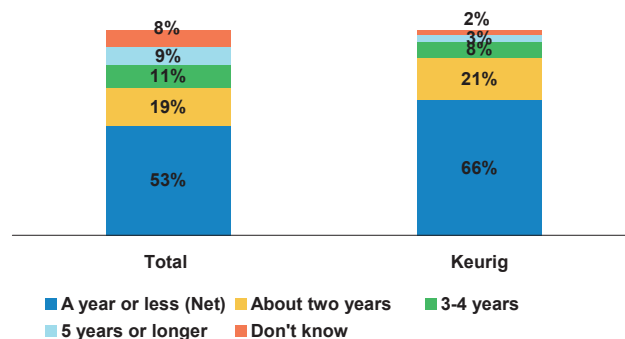


Source: Company data, Morgan Stanley Research. *Systems and PC Hardware Emerging Debates for 2010*, January 8, 2010

The installed base of single-serve machines is still relatively young—and often 'gifted'. Two-thirds of single-serve users report having owned their machines less than one year. Given the lifespan of a brewer could be as much as 5-7 years, it is likely going to take a while before we enter the first replacement cycle in this segment. What's more, a significant portion of single-serve coffee makers are given as gifts—including 43% of Keurigs. This makes the holiday season a key period for accelerating adoption. It also possibly obscures some early consumption data for Green Mountain as those who receive the machines as gifts may not remain loyal customers over time.

Exhibit 5

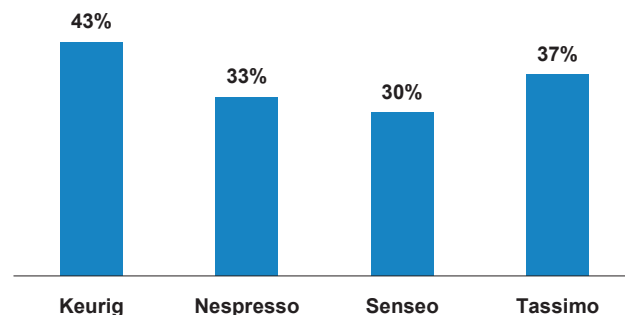
Single-serve coffee makers are at the early end of adoption at home, with Keurig having an even younger set of machines out amongst consumers



Source: AlphaWise, Morgan Stanley Research. Based on respondents that have a single-serve coffee machine at home.

Exhibit 6

A popular gift item: Percentages of respondents who have received single-serve machines as gifts



Source: AlphaWiseSM, Morgan Stanley Research. Based on respondents that own a single-serve coffee maker.

Favorite single-serve brands – Green Mountain and its Keurig system dominate. Given its installed base of machines (see below) its not surprising that K-cups and their various sub-brands are cited by consumers as being most popular. Interestingly, even after adding in multiple brands to its platform, by far the most popular brand of coffee within the Keurig system is its very own Green Mountain, which consumers report to be far more popular than many of the specialty brands such as Tully's or Timothy's. Following Green Mountain, Folgers, Donut House and Caribou Coffee rank among the most purchased brands within the single-serve platform.

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Exhibit 7

Keurig is the clear leader among single-serve coffee makers at home (percent share on right)

Keurig System (Net)	63%
Senseo System (Net)	15%
Nespresso	8%
Tassimo Brewer	7%
FLAVIA FUSION Brewer	6%
Melitta Single Serve Brewer	6%
Bunn My Cafe Pod Brewer	5%
Grindmaster PrecisionBrew	4%
TRU Single Serve Coffee Brewer	3%

Source: AlphaWiseSM, Morgan Stanley Research. Percentages may total over 100% due to multiple machines at one home.

Exhibit 8

Green Mountain's own brands as well as other K-cup based brands are by far the most popular amongst respondents

Brand	% of Users that Consume	Platform
Green Mountain Coffee	21%	Keurig
Folgers Gourmet Selections	18%	Keurig
Donut House Collection	14%	Keurig
Caribou Coffee	14%	Keurig
Newman's Own Organics	10%	Keurig
Emeril's	9%	Keurig
Coffee People	9%	Keurig
Celestial Seasonings	8%	Keurig
Barista Prima Coffeehouse	8%	Keurig
Gloria Jean's	8%	Keurig
Tully's	8%	Keurig
Timothy's	8%	Keurig
Senseo	8%	
Millstone	8%	Keurig
Cafe Escapes	8%	
Ghirardelli	7%	Keurig
Bigelow	7%	Keurig
Green Mountain Naturals	6%	Keurig
Van Houtte	5%	Keurig
Wolfgang Puck	4%	Keurig
Diedrich	4%	Keurig
Twinings	4%	Keurig
Nespress Grands Crus	3%	
Starbucks	3%	

Source: AlphaWiseSM, Morgan Stanley Research. Percentages may total over 100% due to multiple brands purchased by same respondent.

Industry conclusions: 1) Single-serve coffee is too big and too fast growing for any coffee company to ignore, in our view, 2) household penetration of single-serve is approaching 30%; and adoption rates are poised to accelerate materially from

here, if other technologies are a proxy, 3) gifting of single-serve machine has driven much more rapid penetration especially of the Keurig brand, something new entrants into the category need to be mindful of.

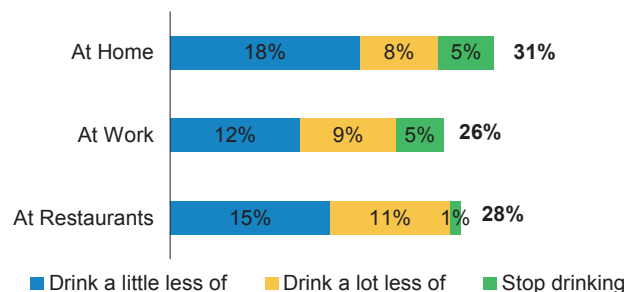
Key Finding #2:

Single-serve is generally additive to coffee category consumption

One of the key concerns about a rapidly growing single-serve coffee category is potential cannibalization of existing channels. We believe that concern is overblown. Over **35%** of single-serve consumers say its additive to their overall consumption of coffee, the single most frequent response, followed by drinking less brewed coffee at home—13%—and drinking less coffee at work—14%. Only 12% of users said single-serve caused them to cut down on the amount they drink at cafes such as Starbucks. While that number is not immaterial, it does suggest that for a brand like Starbucks, it is relatively low risk to enter this category and lose the high margin retail sales.

Exhibit 9

Single-serve has yet to materially reduce the consumption of other forms of brewed coffee



Source: AlphaWiseSM, Morgan Stanley Research. Based on respondents that consume single-serve regularly

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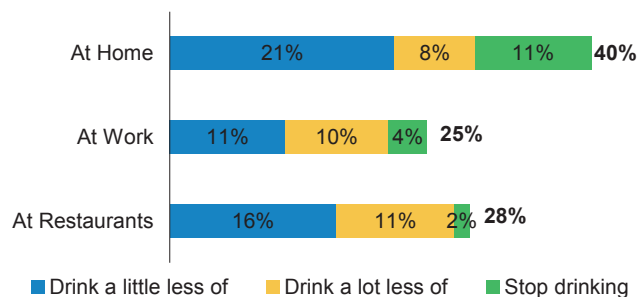
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Exhibit 10

Keurig owners say they consume less home-brewed drip coffee than other single-serve users

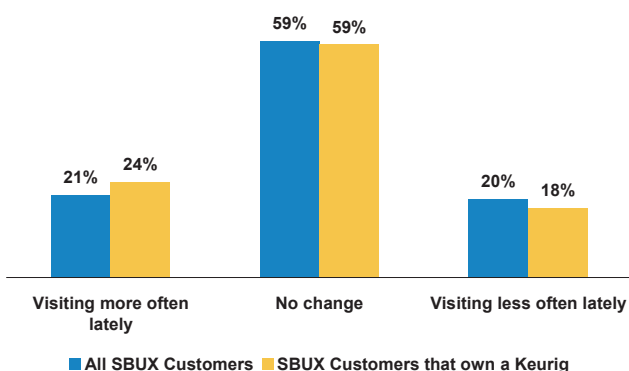


Source: AlphaWiseSM, Morgan Stanley Research. Based on respondents that consume single-serve regularly using the Keurig platform.

Looking at the largest player in single-serve, current Keurig users report that 1) they are visiting coffee shops more frequently in the last three months than the overall population—24% say more often vs. the national sample of which 21% say more often—while only 18% say less often, vs. a national sample of 20% who say less often.

Exhibit 11

Single-serve not yet showing signs of coffee shop cannibalization for SBUX customers



Source: AlphaWiseSM, Morgan Stanley Research. Based on respondents that drink coffee on a regular basis.

Investment conclusion: Single-serve is surprisingly additive to the overall category and will not likely cannibalize coffee at home consumption. This should be good news for Starbucks owners as it's unlikely to materially impact same store sales. However, the fact that it will impact the supermarket channel means that many of the existing large supermarket brands—many owned by global food companies—might be compelled to enter this category.

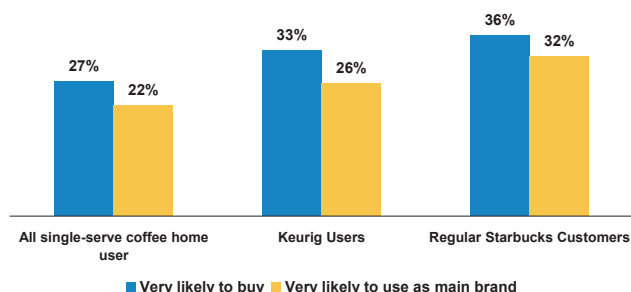
Key finding #3

There's a sizable pent up demand for Starbucks single-serve coffee...

Currently Starbucks does not have a meaningful offering in single-serve coffee (its failed foray with Kraft's Tassimo brewer notwithstanding). Our survey suggests that there's substantial demand for Starbucks single-serve coffee. Specifically, **32%** of Starbucks customers who are current single-serve users and 26% of Keurig users would be 'highly likely' to use Starbucks single-serve pods as their **main** brand if available. Another ~30% would be somewhat likely, bringing the top two box intentions to use Starbucks coffee in their single-serve machines to 70% for current Starbucks users and 59% for Keurig users. This suggests a significant revenue opportunity for Starbucks if they choose to enter the Green Mountain system (see our related note today).

Exhibit 12

Likelihood of buying Starbucks coffee pods if compatible with your current machine



Source: AlphaWiseSM, Morgan Stanley Research. Based on respondents that own a single-serve coffee maker.

Consistent with overall category usage patterns, Starbucks single-serve customers would not likely change their store use patterns. Fifty-five percent of Starbucks customers say that single-serve would not influence their use of the retail stores and another 37% say it would affect their usage only slightly. Few said that using single-serve would eliminate his or her use of Starbucks' retail sales.

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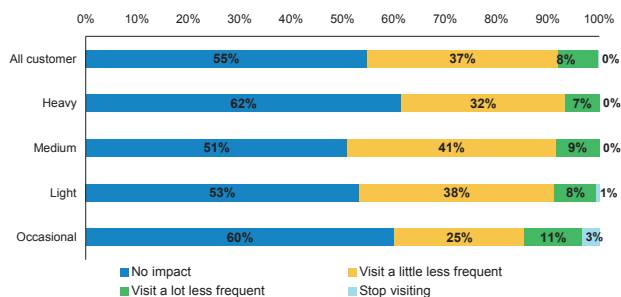
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Exhibit 13

Should SBUX introduce its own line of pods, customers do not plan on cutting back their store visits



Source: AlphaWiseSM, Morgan Stanley Research. Among those who are likely to buy either Starbucks coffee pods or Starbucks coffee machine

Investment conclusions: Starbucks has the potential to gain ~30% share in the Keurig system, according to our estimates. Though Starbucks would have to pay some sort of royalty to Green Mountain, most likely in the form of a co-packing arrangement, by which Starbucks would send coffee to Green Mountain which would then put the coffee into K-cups and sell it back to Starbucks to sell at retail. This is the most attractive short-term revenue opportunity for Starbucks but comes at a price as it allows Keurig to effectively own the single-serve market with Starbucks having to pay Green Mountain for the right to be on their system. It's also unclear how GMCR would feel about the cannibalization of its own brands caused by Starbucks entering its system. Its also unclear how GMCR would feel about the cannibalization of its own brands caused by Starbucks entering its system.

Key finding #4

Consumers would prefer "open platform" to Starbucks-branded single-serve brewers

Having failed at attempting to enter single-serve in a closed system—e.g. Tassimo—and based on recent comments reported in the press regarding the company's view on the benefits of open single-serve platforms (i.e. those that will accept multiple brands without charging a royalty), we'd argue that Starbucks could end up challenging Green Mountain by supporting an open single-serve platform. Here's how we interpret the survey results on consumer willingness to buy a new single-serve machine:

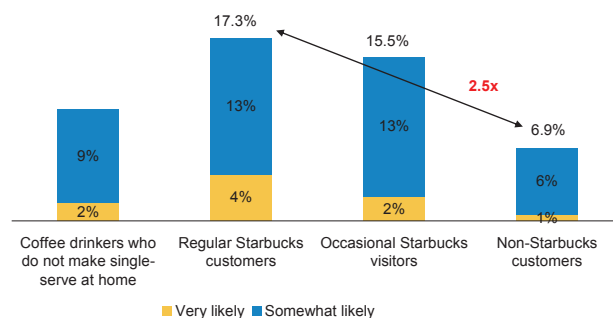
- Currently we estimate that 44% of Starbucks customers already own a single-serve coffee machine, of which 67% own a Keurig "system" machine. This

penetration of single-serve into Starbucks customer base is larger than we'd anticipated.

- Of those that do not currently make single-serve at home, Starbucks customers are 2.5x more likely to buy a single-serve coffee machine than non-Starbucks customers. While this makes some intuitive sense given that being a regular Starbucks customer implies regular coffee consumption, it nonetheless confirms that the appetite for single-serve brewers exists within the Starbucks customer base.

Exhibit 14

SBUX customers are 2.5x more likely to purchase a single-serve machine over the next twelve months



Source: AlphaWiseSM, Morgan Stanley Research.

- Of those existing single-serve users, 16% would be "highly likely" to purchase a new Starbucks branded single-serve machine (24% among regular Starbucks customers), as long it is compatible with their existing pods/system—e.g. an 'open' system. However, relative to a base line question about generic intent to purchase a new single-serve machine, mentioning the Starbucks name in connection with a single-serve platform produced only a moderate "lift" to intentions to buy.

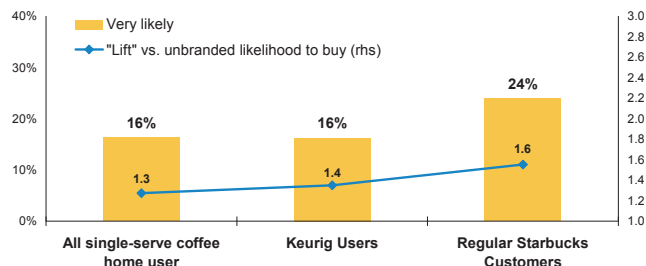
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Exhibit 15

An open platform would be important to the success of an SBUX brewer among existing single-serve users

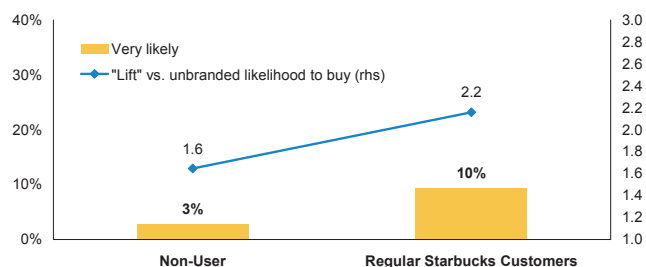


Source: AlphaWiseSM, Morgan Stanley Research. Among current single-serve users. Likelihood of consumers to purchase an SBUX-branded single-serve machine if it were to use multiple brands of coffee pods

- Current Starbucks customers who are non-users of single-serve coffee have a slightly higher intent to purchase a Starbucks branded machined –10% would be “highly likely” to purchase such a machine vs. 3% of all non-current single-serve users. However, these percentages are relatively low and would require a slower ramp to built awareness and adoption among this cohort, in our view.

Exhibit 16

Only a handful of SBUX customers that don't currently use single-serve would be interested in purchasing an SBUX-branded single-serve brewer



Source: AlphaWiseSM, Morgan Stanley Research. Among non-single-serve users. Likelihood of consumers to purchase an SBUX-branded single-serve machine if it were to use multiple brands of coffee pods.

- Launching a Starbucks branded “closed system” – i.e. one that accepts only Starbucks coffee—would get a lower level of acceptance. We estimate that only 21% of all Starbucks customers that own a single-serve brewer would be willing to purchase such a machine. While 21% of Starbucks’ substantial customer base would still yield a decent size installed base, it would

not optimize the potential penetration for its single-serve efforts

Investment conclusions: 1) With over 40% of its customers already owning a single-serve machine, Starbucks is not early to this category. 2) If Starbucks is to enter single-serve with its own platform, rather than enter through the existing Green Mountain system, its best success will be with an open system that accepts multiple brands and would be better served by letting another manufacture or multiple manufacturers produce machines under their own names, 3) consumers response was only lukewarm to the notion of a closed system proprietary Starbucks’ branded brewer—implying that its name alone will not drive adoption.

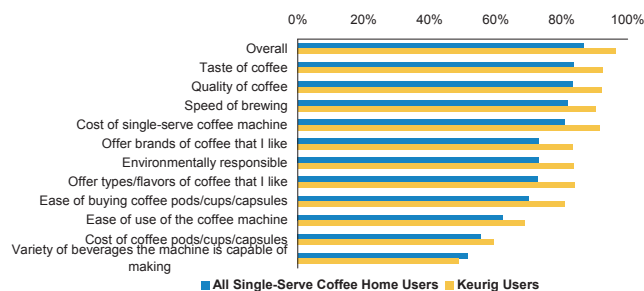
Key finding #5

Satisfaction among existing single-serve coffee consumers is very high, especially among Keurig users, raising the bar for competitive entrants.

Among existing single-serve users, consumer satisfaction runs extremely high, with some **87%** of all single-serve users rating their overall experience with single-serve coffee as either ‘very’ or ‘somewhat’ satisfying. Of Keurig users, that satisfaction ramps to an astounding 97%, implying that Keurig is overwhelmingly meeting its consumers demands. If Starbucks chooses to enter this market with a new platform, it most likely needs to go after consumers who are not already on the Keurig system.

Exhibit 17

Single-serve users have relatively high satisfaction ratings for their brewers, particularly Keurig owners



Source AlphaWiseSM, Morgan Stanley Research. Based on all respondents that have single-serve brewers at home.

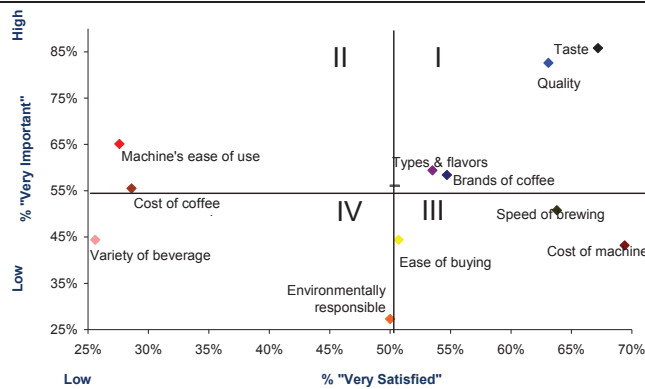
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Exhibit 18

Most Keurig owners have positive feedback on their experience with the platform

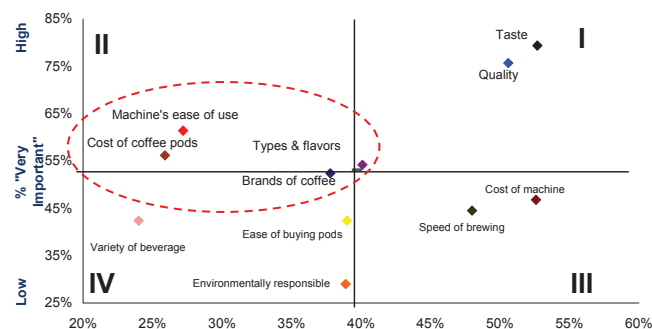


Source AlphaWiseSM, Morgan Stanley Research. Based on all respondents that have a Keurig single-serve brewers at home

The two area of unmet needs for single-serve revolve around cost of the pod—an area where SBUX is less likely to compete but which does leave the possibility open for others—and ease of use of machine.

Exhibit 19

Taste and Quality score most important among single-serve users, but brands offered and types & flavors are areas of improvement for the industry

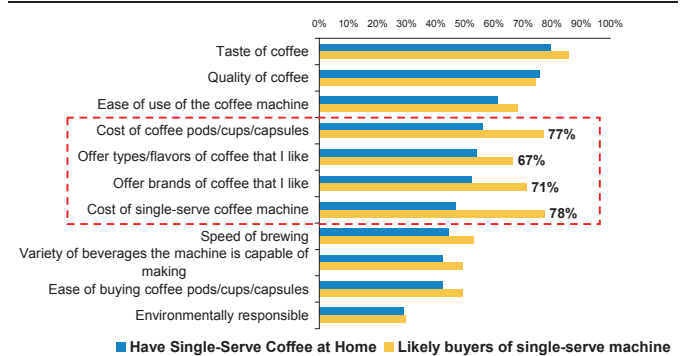


Source: AlphaWiseSM, Morgan Stanley Research. Based on all respondents that have single-serve brewers at home.

Cost of machines, pods drive new adoption. While both existing and potential single-serve coffee consumers cite the importance of characteristics like taste and quality in common, the largest difference between an existing and potential user of single-serve is sensitivity to cost of pods and machines, with lower cost of these clearly driving more rapid adoption. Interestingly, brand of coffees offered ranks relatively low for both existing and potential users.

Exhibit 20

Cost is the most important factor for likely buyers of single-serve brewers



Source: AlphaWiseSM, Morgan Stanley Research. Based on respondents that own or plan on purchasing a single-serve coffee brewer.

Investment conclusions: 1) Unseating existing Keurig users will be difficult given their high satisfaction rates, 2) the most significant opportunities or dissatisfactions revolve around price and ease of use of machines. We don't believe Starbucks will be willing to compete on price given their brand positioning, but this could open up an area of opportunity for other single-serve brands. Complaints over ease of use also surprises us given how easy we think a Keurig machine is to use already, 3) cost of pods and machines are a bigger barrier to entry for new single ever users than available brands, suggesting that if Starbucks is to enter this segment it may consider a machine with a lower initial cost.

Key finding #6

VIA is well liked but with a narrow appeal

Starbucks' entry into the single-serve premium instant category has garnered significant awareness, trial and conversion—in fact, 5-6% of *all* coffee drinkers now are regular VIA drinkers. However, those customers tend to be both existing Starbucks customers and two thirds were instant drinkers before trying VIA.

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Exhibit 21

5.5% of coffee drinkers have become VIA regulars

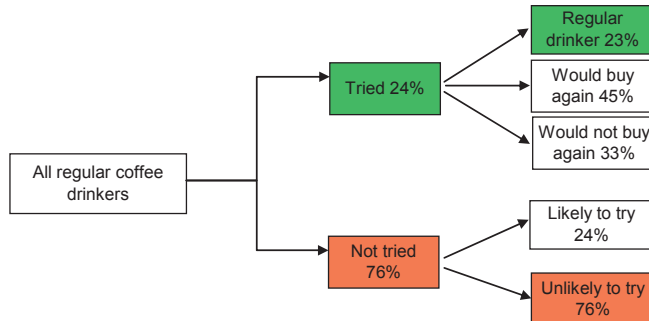
Source: AlphaWiseSM, Morgan Stanley Research.

Exhibit 22

While 13.5% of usual SBUX customers also become regular users of VIA

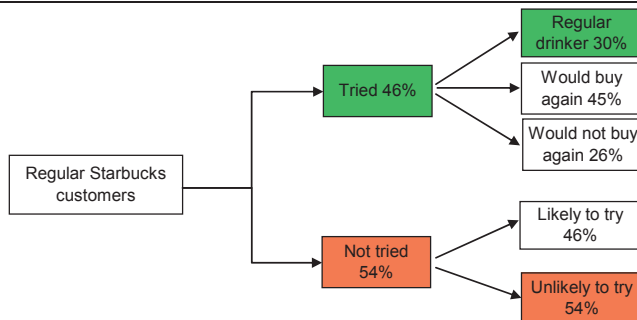
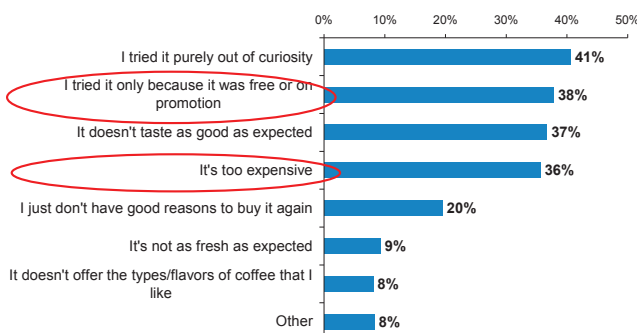
Source: AlphaWiseSM, Morgan Stanley Research.

Exhibit 23

Price appears to be a key barrier to repeat trial and purchase of VIA

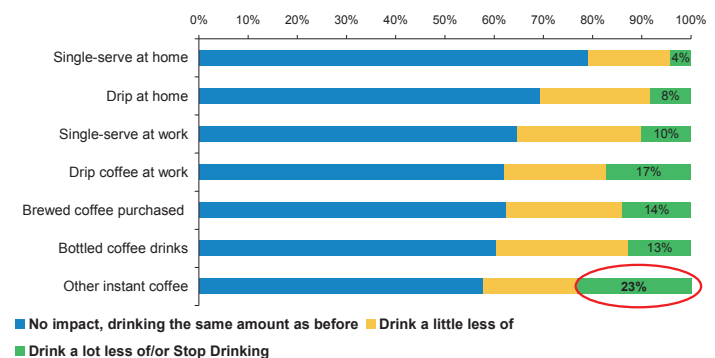
Source: AlphaWiseSM, Morgan Stanley Research. Among respondents that have tried VIA but are unlikely to buy it again.

Among our findings for VIA:

- Trial and awareness is high: 24% of all coffee drinkers have tried VIA and 46% of Starbucks customers have tried it.
- Conversion is also strong with 23% of those that have tried VIA becoming regular users.
- Overall satisfaction with VIA is also high--65% for consumers who have tried it and 72% for Starbucks consumers-- with convenience and taste ranking highly, and the only noticeable dissatisfaction being price.
- Most VIA users are current Starbucks heavy users, and two thirds were existing instant coffee consumers. These consumers also tend to be younger males, and consume about twice as much coffee per week as an "average" drinker.
- VIA consumption appears to have little impact on either single-serve coffee consumption or on overall coffee consumption. VIA has had the greatest cannibalization impact on instant coffee.

Exhibit 24

VIA appears to be cannibalizing other instant coffee and drip consumption at work

Source: AlphaWiseSM, Morgan Stanley Research. Among respondents that purchase VIA regularly.

Investment conclusion: VIA use appears to be coming from Starbucks' existing loyal base and may not be extending the reach of the brand, but is clearly taking share from existing instant coffee brands. This fact should work in Starbucks' favor as it takes the brand outside the US, where instant coffee is a much larger category.

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MENA	February 02, 2011	Muneeba Kayani	MENA - Property: Dubai Property Price Tracker: January 2011	Dubai Listed Property prices declined ~1% m-o-m in January, on a 3-month moving average basis
Asia Pacific	January 31, 2011	Chin Lim	Singapore Airlines (SIAL.SI): Raising Price Target; F3Q10 Operating Profit Beats Expectation	Our proprietary fare index for SIA indicates business class ticket fares are up from the low in 1Q09 (April-June), and are now tracking about 4-7% higher in 3Q10 over 3Q09
North America	January 19, 2011	David Risinger	Specialty Pharmaceuticals: Not another cosmetic survey	Our survey of office managers on their actual purchases and utilization indicates that Botox and Dysport market shares appear flattish since May 2010
Asia Pacific	January 19, 2011	Qing Wang	China Macro AlphaWise Evidence Series: MSCBCI Points to Continued Weakness	The headline and expectation components in the Morgan Stanley China Business Conditions Index (MSCBCI) registered modest improvement in January 2011
North America	January 19, 2011	Joseph Parkhill	Retail, Food and Drug: 2011 Dollar Store Outlook: It's Secular Not Cyclical	The results of our third annual survey of dollar store shopping (conducted in November 2010) support our view that dollar store sales will remain robust in 2011
North America	January 19, 2011	Joseph Parkhill	Dollar Tree Inc (DLTR.O): Upgrade to OW; Double Digit Sales Growth = Significant Operating Leverage	Upgraded Dollar Tree to Overweight partly based upon November 2010 consumer survey that strengthens our conviction that comps will stay in the mid single digits and total sales growth will remain in the double digits
North America	January 13, 2011	Vincent Andrews	Food: Cereal Survey Suggests Volume Growth in 2011	Proprietary survey conducted in November 2010 supports our expectation that cereal volume is likely to grow 1-2% in 2011 following a 1% unit sales decline in 2010
Asia Pacific	January 08, 2011	Sheela Rathi	AlphaWise Evidence Series: Unique Insights into Urban India's Unemployed	Our survey provides a first look at India's unemployed, from unhappiness with the government support, potential for huge migration to large cities in search of jobs, adequate skill level and aspiration for higher wages
Europe	January 07, 2011	Bobby Chada	European Utilities: Weather and fuel spikes not a reason to get bullish, yet ...	Our 5th UK Energy Supply Survey confirms that Centrica has one of the stickiest customer bases, the most loyal customer base, and industry leading customer service

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MENA January 08, Muneeba Kayani
2011

MENA - Property:
Dubai Property Price tracker:
December 2010

AlphaWise Dubai listed price index declined by
~5% while transacted prices remained flat on a
3-month moving average basis

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(as of February 28, 2011)

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Total	2,894		1034		

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Industry Coverage: Restaurants

Company (Ticker)	Rating (as of)	Price* (03/04/2011)
John Glass		
Brinker International Inc. (EAT.N)	E (01/28/2011)	\$23.82
Buffalo Wild Wings, Inc. (BWLD.O)	NR (11/14/2008)	\$52.38
California Pizza Kitchen, Inc. (CPKI.O)	NR (11/14/2008)	\$16.18
Chipotle Mexican Grill, Inc. (CMG.N)	E (12/03/2010)	\$255
Darden Restaurants Inc. (DRI.N)	O (03/27/2008)	\$46.32
Dominos Pizza Inc. (DPZ.N)	E (03/27/2008)	\$17.32
Einstein Noah Restaurant Group (BAGL.O)	E (03/27/2008)	\$15.66
Jack in the Box Inc. (JACK.O)	E (09/02/2010)	\$22.17
McDonald's Corporation (MCD.N)	E (07/30/2009)	\$76.03
PF Chang's China Bistro Inc. (PFCB.O)	O (12/02/2009)	\$46.72
Panera Bread Company (PNRA.O)	E (03/27/2008)	\$120.24
Red Robin Gourmet Burgers, Inc. (RRGB.O)	U (06/07/2010)	\$23.88
Sonic Corp. (SONC.O)	U (04/20/2009)	\$8.92
Starbucks Corp. (SBUX.O)	E (03/27/2008)	\$33.12
Texas Roadhouse, Inc. (TXRH.O)	E (07/31/2008)	\$16.93
The Cheesecake Factory, Inc. (CAKE.O)	E (03/27/2008)	\$28.97
Tim Hortons Inc. (THI.TO)	E (02/04/2011)	C\$42.96
Wendy's/Arby's Group, Inc. (WEN.N)	E (01/08/2010)	\$5.01
Yum! Brands, Inc. (YUM.N)	O (07/30/2009)	\$50.97

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